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# THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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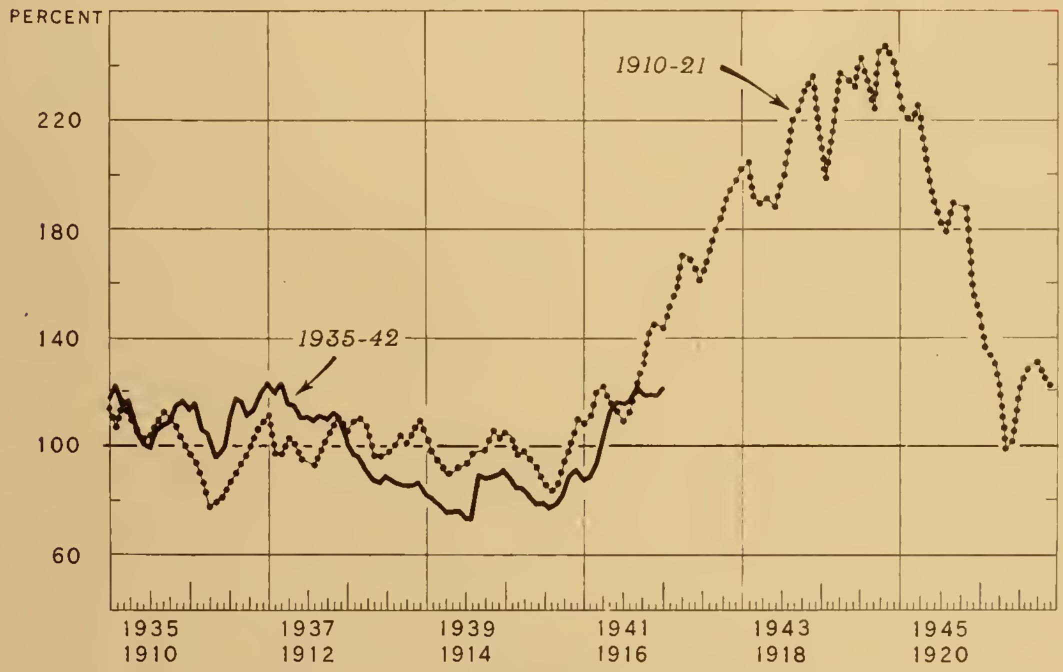
WHOLESALE PRICES OF EIGHT DOMESTIC FATS AND OILS, 1910-21, AND 1935-42*

INDEX NUMBERS (1910-14=100)



*BUTTER, COTTONSEED OIL, AND LINSEED OIL, NEW YORK; LARD, TALLOW (INEDIBLE), GREASE, OLEO OIL, AND TALLOW (EDIBLE), CHICAGO

U. S. DEPARTMENT OF AGRICULTURE NEG. 39332 BUREAU OF AGRICULTURAL ECONOMICS

PRICES OF FATS AND OILS IN JANUARY WERE AT OR NEAR THE REVISED CEILING LEVELS. SOME FURTHER ADVANCE IN PRICES IS POSSIBLE, PARTICULARLY FOR LARD FOR WHICH THE CEILING WAS RAISED A SECOND TIME IN EARLY FEBRUARY, AND FOR BUTTER AND LINSEED OIL FOR WHICH THERE ARE NO CEILINGS. BUT ADVANCES IN THE GENERAL PRICE INDEX IN COMING MONTHS WILL BE SLIGHT COMPARED WITH THOSE IN 1917.

Table 1.- Price per pound of specified fats, oils and glycerin, January 1940 and 1941, November-January 1941-42

| Item | Jan. 1940 | Jan. 1941 | 1941-42 Nov. | 1941-42 Dec. | 1941-42 Jan. |
|---|---|---|---|---|---|
| | Cents | Cents | Cents | Cents | Cents |
| Butter, 92-score, Chicago | 30.8 | 30.1 | 35.8 | 34.6 | 35.2 |
| Butter, 92-score, New York | 31.8 | 31.1 | 36.2 | 35.0 | 35.4 |
| Oleomargarine, dom. veg., Chicago | 15.0 | 14.5 | 17.5 | 1/18.1 | 18.5 |
| Compounds (animal and veg. cooking fats), Chicago | 9.5 | 10.3 | 13.8 | 16.3 | 16.8 |
| Lard, prime steam, tierces, Chicago | 6.0 | 5.2 | 9.8 | 10.0 | 10.7 |
| Lard, refined, cartons, Chicago | 6.8 | 6.8 | 11.6 | 12.5 | 12.9 |
| Oleo oil, extra, tierces, Chicago | 7.2 | 7.0 | 11.6 | 1/11.5 | 11.8 |
| Oleostearine, bbl., N. Y. | 6.8 | 6.4 | 10.3 | 10.8 | 10.8 |
| Tallow, edible, Chicago | 5.4 | 5.4 | 8.9 | 9.0 | 9.6 |
| Corn oil, crude, tanks, f.o.b. mills | 6.0 | 6.7 | 11.2 | 11.3 | 12.4 |
| Corn oil, refined, bbl., N. Y. | 8.6 | 9.1 | 15.0 | 14.9 | 15.4 |
| Cottonseed oil, crude, tanks, f.o.b. S. E. mills | 5.9 | 5.4 | 11.4 | 12.0 | 12.6 |
| Cottonseed oil, p.s.y., tank cars, N. Y. | 6.9 | 6.4 | 12.4 | 13.1 | 13.7 |
| Peanut oil, crude, tanks, f.o.b. mills | 6.7 | 5.6 | 11.9 | 12.1 | 13.0 |
| Peanut oil, dom. refined, bbl., N. Y. | 9.6 | 8.2 | 15.8 | 15.9 | 16.4 |
| Soybean oil, crude, tank cars, midwestern mills | 5.3 | 5.1 | 9.8 | 10.1 | 11.4 |
| Soybean oil, dom., crude, drums, N. Y. | 6.9 | 6.9 | 11.8 | 12.3 | 12.8 |
| Soybean oil, refined, drums, N. Y. | 8.2 | 8.2 | 13.0 | 13.7 | 14.0 |
| Babassu oil, tanks, f.o.b. mills, Pacific Coast | --- | --- | 9.6 | --- | --- |
| Coconut oil, crude, tanks, f.o.b. Pacific Coast 2/ | 6.0 | 5.9 | 9.8 | --- | --- |
| Coconut oil, edible, drums, N. Y. | 8.8 | 7.8 | 3/14.4 | 3/15.2 | --- |
| Olive oil, edible, drums, N. Y. | 26.9 | 43.2 | 72.3 | 74.8 | 75.7 |
| Olive oil, inedible, drums, N. Y. | 13.1 | 31.2 | 54.4 | 54.8 | 58.4 |
| Olive-oil foots, prime, drums, N. Y. | 8.4 | 10.2 | 17.2 | 18.2 | 18.9 |
| Palm oil, Niger, crude, drums, N. Y. 2/ | 8.4 | 7.4 | 12.0 | 12.4 | 12.4 |
| Palm oil, Sumatra, tanks, N. Y. 2/ | --- | 5.2 | 11.0 | 11.8 | --- |
| Rape oil, drums, N. Y. | 13.7 | 12.8 | 14.8 | 15.2 | 15.4 |
| Rape oil, blown, drums, N. Y. | 17.2 | 17.5 | 17.2 | 17.6 | 18.0 |
| Teaseed oil, crude, drums, N. Y. | 12.5 | 17.5 | 28.0 | 29.2 | 30.0 |
| Tallow, inedible, Chicago | 5.1 | 4.7 | 8.4 | 1/8.5 | 9.1 |
| Grease, A white, Chicago | 5.1 | 4.8 | 8.6 | 8.8 | 9.2 |
| Menhaden oil, crude, tanks, f.o.b. Baltimore | 4.8 | 4.4 | 7.7 | 8.0 | 8.2 |
| Sardine oil, crude, tanks, Pacific Coast | 5.0 | 5.4 | 7.9 | 8.0 | 8.4 |
| Whale oil, refined, bleached winter, drums, N. Y. | 9.5 | 9.5 | 11.1 | 11.1 | 11.1 |
| Linseed oil, raw, tank cars, Minneapolis | 10.4 | 8.7 | 9.4 | 10.0 | 10.6 |
| Linseed oil, raw, drums, carlots, N. Y. | 10.8 | 9.6 | 10.2 | 10.8 | 11.3 |
| Perilla oil, drums, N. Y. | 18.2 | 18.0 | 22.8 | 22.8 | 24.2 |
| Citicica oil, drums, N. Y. | 20.5 | 19.0 | 22.0 | 22.8 | 24.1 |
| Tung oil, drums, N. Y. | 27.6 | 27.2 | 35.8 | 36.4 | 39.0 |
| Castor oil, No. 3, bbl., N. Y. | 12.8 | 9.8 | 12.4 | 12.5 | 12.5 |
| Castor oil, dehydrated, drums, carlots, N. Y. | 17.0 | 13.1 | 16.9 | 16.9 | 16.9 |
| Cod-liver oil, med. U.S.P. bbl., N.Y. (dol. per bbl) | 33.5 | 71.7 | 87.5 | 87.5 | 82.1 |
| Cod oil, Newfoundland, drums, N. Y. | 9.6 | 8.4 | 10.5 | 10.5 | 10.8 |
| Glycerin, soaplye, 80 percent basis, tanks, N.Y. | 8.0 | 7.2 | 11.5 | 11.5 | 11.5 |

Compiled from Oil, Paint and Drug Reporter, The National Provisioner, and reports of the Agricultural Marketing Service and Bureau of Labor Statistics. Prices quoted include excise taxes and duties where applicable.

1/ Revised. 2/ Three-cent processing tax added to price as originally quoted.
3/ Less than carlots.

## THE FATS AND OILS SITUATION

### Summary

Domestic production of fats and oils was at a record level in 1941, but factory and warehouse stocks were reduced nearly 300 million pounds (12 percent) during the year. In view of the current high rate of domestic consumption, the large purchases for lend-lease shipments, and the curtailment of imports of oilseeds and oils resulting from war in the Pacific, a further reduction in stocks of fats and oils probably will occur in 1942.

Maximum prices on fats and oils were raised by a minimum of 11 percent on January 2; prices in January advanced to or near the new maximum levels. Effective February 4, the maximum price on lard was again increased, while the maximum on linseed oil was removed. Prices of soybeans, flaxseed, and peanuts for oil also advanced in January, reflecting a strong demand for both crushing and seed purposes. Large increases in acreage are in prospect for these crops in 1942.

Consumption of oleomargarine was 47 million pounds (15 percent) larger in 1941 than in 1940. Consumption of butter, on the other hand, was 68 million pounds (3 percent) smaller than a year earlier, despite a slightly increased production. Improvement in demand resulting from larger consumer purchasing power in 1941 was reflected chiefly in an 18-percent increase in the average wholesale price of butter at Chicago and a 7-percent increase in the price of margarine.

-- February 16, 1942

### REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- With large world supplies available, prices of fats and oils were at a low level in 1939. Prices advanced in the fall of that year but declined in the spring of 1940.

During the first half of 1941, prices advanced sharply reflecting the tight shipping situation for imported materials, marked improvement in domestic demand, and Government purchases of lard for export. Prices tended to level off during the second half of 1941, partly because of a temporary improvement in shipping and partly because of price-control measures.

## Prices of Fats and Oils Advance in January

The amendment of the fats and oils price schedule on January 2 raised maximum prices by a minimum of 11 percent over those established on December 13. Prices of most items in January advanced to or near the new maximum levels, with the most pronounced price gains being recorded in crude vegetable oils at mills, in imported drying oils (tung, perilla, and oiticica), and in lard, tallow, and greases. The price of butter, for which there is no maximum, averaged slightly higher in January than in December.

Average prices of 27 leading fats and oils in January, at 96 percent of the 1924-29 average, were 3 percent higher than a month earlier and 43 percent higher than a year earlier. In comparison with January 1941, the wholesale price of butter was up 16 percent, lard 105 percent, other food fats and oils 97 percent, soap fats 91 percent, and drying oils 24 percent. A stabilizing factor in the case of drying oils has been the large surplus of flaxseed available in Argentina.

## Ceiling for Cash Lard Revised; Linseed Oil Ceiling Removed

Price Schedule No. 53, announced by the Office of Price Administration December 13, 1941, was amended a second time effective February 4. Ceiling prices for lard were revised upward by adding to the October 1 prices 1.895 cents per pound for cash lard (in tierces), 0.675 cent for loose lard, 0.49 cent for leaf lard, and 0.79 cent for steam rendered pork fat. The ceiling price for cash lard at Chicago is now 12.69-1/2 cents per pound compared with 10.93 cents in January. (The ceiling in January was set at 111 percent of the price on November 26, 1941, slightly higher than the October 1 price of 10.80 cents.) The new ceiling for cash lard at Chicago is 0.13 cent under the maximum futures prices (for May and July delivery) of 12.82-1/2 cents per pound.

The new amendment to Schedule No. 53 specifically excludes linseed oil, peanut oil, and soybean oil, as well as essential oils, mineral oils, butter, and cocoa butter, from application of the order. A separate price schedule (No. 92) was issued effective February 4, which in effect maintains the same ceilings for peanut oil and soybean oil as those prevailing in January. But no provision was made to maintain a price ceiling for linseed oil. Butter was specifically excluded from the original price schedule. Cocoa butter is covered in a special schedule together with cocoa beans.

Following announcement of the action taken by the Office of Price Administration on February 4, the price of cash lard at Chicago advanced about 1.3 cents from 10.9 to 12.2 cents per pound. The price of linseed oil at New York (zone 3) went up from 10.9 to 11.1 cents.

## Prices of Soybeans and Flaxseed Up Sharply in January

Prices received by farmers for soybeans and flaxseed were 10 to 12 percent higher in mid-January than a month earlier and were at the highest levels for the marketing season to date. Peanut prices were up about 7 percent. The price of cottonseed in mid-January, on the other hand, was 3 percent lower than a month earlier.

At an average of $1.65 per bushel on January 15, the price received by farmers for soybeans was 5 cents higher than the support price for 1942 crop soybeans announced by the Secretary of Agriculture on January 16. The average farm price of flaxseed in mid-January was $1.95 per bushel, 15 cents below the minimum support level announced for the 1942 crop. Terminal market prices for both soybeans and flaxseed advanced further during the second half of January. Prices of Spanish and Runner type peanuts for oil in mid-January were above the announced support prices for the 1942 crop, while the price of Virginia type peanuts for oil was about equal to the 1942 support level.

Soybeans, flaxseed, and peanuts are now in active demand for both crushing and seed purposes. The demand for seed is particularly strong this year as a result of the large increases in acreage for these crops in prospect.

An additional price factor in the case of flaxseed has been a series of increases in the offering price of the Argentine Grain Board. These increases brought the price of flaxseed, f.o.b. Buenos Aires, including appraisement tax, to approximately $1.46 per bushel in early February (United States currency) compared with an average of 83 cents in early November. After Pearl Harbor, war-risk insurance rates on shipments of flaxseed from Argentina were increased from 1 to 4 cents per bushel. On the other hand, the duty on flaxseed was reduced 32.5 cents per bushel effective November 15, 1941, and on January 20, 1942, the conference freight rate on flaxseed from Argentina was cut 17.5 cents from 55 to 37.5 cents per bushel. The net effect of these changes, beginning in mid-November, has been to raise the price of Argentine flaxseed, duty paid at New York, by about 16 cents per bushel.

The Emergency Price Control Act of 1942, approved January 30, provides that no maximum price shall be established or maintained for any agricultural commodity below the highest of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 percent of the parity price for such commodity, adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined, as provided by the Act, 110 percent of such comparable price; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919 to June 30, 1929. No action with regard to oil crops has been taken as yet under the authority of this Act.

## Flaxseed Crushings at High Level

With an unusually strong demand for linseed oil, flaxseed crushings in the first 6 months of the 1941 marketing year (July-December) totaled 25.2

million bushels, 48 percent more than a year earlier. This was the largest crush for the period on record. Output of crude linseed oil amounted to 488 million pounds compared with 328 million pounds in the corresponding period of 1940. Some increase in factory stocks took place, but apparent disappearance of linseed oil in the period July-December 1941 was about 45 percent greater than a year earlier.

Soybean crushings in the first quarter of the current marketing year (October-December) amounted to 19.2 million bushels compared with 17.6 million bushels a year earlier. If harvesting had not been delayed by wet weather, first-quarter crushings undoubtedly would have been larger than they were. A record crop of nearly 107 million bushels of soybeans was produced in 1941, of which 80 to 85 million bushels will be available for crushing this season.

Peanut and cottonseed crushings are on a reduced scale this year, reflecting the smaller output of these crops in 1941 than in 1940. Production of peanut oil, which amounted to 174 million pounds in 1940-41, may not total more than 75 million pounds in the current season. Similarly, the output of cottonseed oil, which amounted to 1,425 million pounds last season, may be 200 million pounds less this season. Cottonseed crushings in the period August-December 1941 were only slightly smaller than those of a year earlier. But a larger proportion of the crop was crushed in that period this season and, with a poorer quality of seed, the yield of oil was only 308 pounds per ton of seed crushed compared with 318 pounds a year earlier.

### Factory and Warehouse Stocks Reduced in 1941

Factory and warehouse stocks of crude and refined fats and oils (in terms of crude) totaled 2,232 million pounds on December 31, 1941, a reduction of 296 million pounds from stocks on hand at the beginning of the year. Stocks of butter, linseed oil, corn oil, soybean oil, and fish oils made fairly substantial gains during the year; but these gains were more than offset by marked decreases in stocks of cottonseed oil, lard, tallow and greases, coconut oil, tung oil, whale oil, palm oil, and olive oil. (Table 3.)

In addition to stocks of crude and refined oils, factory and warehouse stocks of imported castor beans and copra on December 31 amounted to about 71 million pounds (in terms of oil) compared with 54 million pounds a year earlier. Stocks of cottonseed, flaxseed, and soybeans, excluding farm and country elevator stocks, amounted to about 815 million pounds (in terms of oil) compared with 644 million pounds a year earlier. Stocks of certain derived and manufactured products in the hands of manufacturers amounted to 116 million pounds compared with 109 million pounds a year earlier. No records are available as to stocks held by distributors or consumers.

Although stocks of fats and oils did not decline greatly in 1941, a material reduction in stocks probably will take place this year in view of the current high rate of consumption, the increasing purchases for lend-lease shipments, and the curtailment in imports of oilseeds and oils resulting from war in the Pacific.

### Imports of Copra and Certain Oils Placed Under Government Control

Rapeseed oil, coconut oil, copra, palm oil, and tung oil were added to List A of strategic materials in Amendment No. 2 of General Imports Order M-63, issued by the Director of Priorities effective January 13. This amendment, in effect, places imports of the items enumerated under governmental control.

The order on imports (originally effective December 28, 1941) prohibits any person other than the Metals Reserve Company, the Defense Supplies Corporation, or any other governmental department, agency or corporation, from making contracts or other arrangements for importing strategic materials, except by written authorization of the Director of Priorities. The order further prohibits private owners and consignees of a strategic material from disposing of any interest, from processing or changing the physical condition, or from transferring possession or changing the location of such material except to and from the port of entry to the place of initial storage, without written authorization by the Director of Priorities (now Director of Industry Operations).

### Use of Cashew Nut Shell Oil Restricted

General Preference Order M-66, issued by the Office of Production Management January 13, limits the use of cashew nut shell oil to fulfillment of defense orders bearing preference ratings of A-2 or better for the following end products:

(1) Brake linings.
(2) Molding resins for insulating aviation ignitions.
(3) Resin solutions for impregnating electrical coils.
(4) Such other products as may be designated by the Director of Priorities (now Director of Industry Operations).

Cashew nut shell oil is an inedible industrial oil, normally imported in small quantities from India.

### Fats and Oils Inventory Order Relaxed

Amendment No. 1 to General Preference Order M-71, issued January 24 by the Acting Director of Priorities (now Director of Industry Operations), eliminates the 90-day restriction on manufacturers' inventories of fats and oils. Processors are now free to use fats and oils to fill contracts for finished products without restriction, except that no processor may produce more of his product than is required to fill orders and to give him a "practicable minimum working inventory" of finished products.

## RECENT MARGARINE STATISTICS

Data on production and consumption and materials used in the manufacture of margarine for 1941 and earlier years are given in tables 4-8 of this report. Production of margarine in 1941, at 368 million pounds, and consumption, at 365 million pounds, were 15 percent larger than in 1940.

In absolute terms, consumption of margarine showed an increase of 47 million pounds in 1941. Consumption of butter, on the other hand, was down 66 million pounds. The combined consumption of margarine and butter amounted to 19.3 pounds per capita in 1941 compared with 19.6 pounds per capita in 1940. Demand for both butter and margarine was stronger than a year earlier; the increase in demand resulting from larger consumer purchasing power was reflected chiefly in prices. The average wholesale price of 92-score butter at Chicago was 33.8 cents per pound in 1941, 18 percent higher than in 1940. The wholesale price of vegetable margarine at Chicago in 1941 was 15.8 cents per pound, a gain of 7 percent over the previous year.

Approximately 297 million pounds of fats and oils were used in the production of margarine in 1941. Of this total, 50 percent consisted of cottonseed oil, 25 percent soybean oil, 10 percent coconut oil, 6 percent oleo oil, and smaller percentages of a number of other fats and oils. The proportion of cottonseed oil, coconut oil, and oleo oil in margarine was increased in 1941, while the proportion of soybean oil was reduced.

## COMPARABLE PRICES OF PEANUTS FOR OIL AND SOYBEANS

In the announcement of January 16 establishing revised production goals for agricultural commodities in 1942, provision was made to support the price of the 1942 crop of peanuts for oil at 85 percent of the "comparable price" as of the beginning of the marketing year (August 1), but in no event less than $82 per ton for U. S. No. 1 White Spanish type peanuts, $78 per ton for U. S. No. 1 Runner type peanuts, and $70 per ton for U. S. Class A Virginia type peanuts, delivered at approved local receiving agencies. Provision also was made to support the price of 1942 crop soybeans at 85 percent of the "comparable price" as of the beginning of the marketing year (October 1), but in no event less than $1.60 per bushel, farm basis, for U. S. No. 2 Yellow soybeans of recognized varieties of high oil content.

Comparable prices of peanuts for oil in mid-January were as follows: Average all grades, Spanish type, $70 per ton; average all grades, Runner type, $67.20 per ton; average all grades, Virginia type, $58.40 per ton. The comparable price of soybeans for oil in mid-January, United States average all varieties and grades, was $1.39 per bushel. The comparable prices of peanuts for oil and soybeans probably will be higher at the beginning of the 1942 marketing season than they were in mid-January, as comparable prices, like parity prices, are calculated by multiplying a fixed base price by the current index number of prices paid by farmers for commodities purchased, including interest and taxes payable per acre, and this index may advance to some extent in the next several months.

The legal requirements for establishing comparable prices and a discussion of the method of computing such prices for peanuts for oil and soybeans are given in the following sections.

### Legal Requirements

Public Law No. 147, Seventy-seventh Congress, approved July 1, 1941, extending the life and increasing the credit resources of the Commodity Credit

Corporation, contains in section 4 the following provisions relating to parity prices and comparable prices:

> "Sec. 4. (a) Whenever during the existing emergency the Secretary of Agriculture finds it necessary to encourage the expansion of production of any non-basic agricultural commodity, he shall make public announcement thereof and he shall so use the funds made available under section 3 of this Act or otherwise made available to him for the disposal of agricultural commodities, through a commodity loan, purchase, or other operation, taking into account the total funds available for such purpose for all commodities, so as to support a price for the producers of any such commodity with respect to which such announcement was made of not less than 85 per centum of the parity or comparable price therefor. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this section if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.
>
> "(b) It is hereby declared to be the policy of the Congress that the lending and purchase operations of the Department of Agriculture (other than those referred to in subsection (a) shall be carried out so as to bring the price and income of the producers of non-basic commodities not covered by any such public announcement to a fair parity relationship with other commodities."

## Peanuts for Oil

During the period 1909-14, commercial production of peanuts was confined almost entirely to the large-podded Virginia type grown in the Virginia-Carolina area. Production of Spanish and southeastern Runner type peanuts, grown chiefly in the Southeastern and Southwestern peanut areas, did not become commercially important until World War I.

Production data for peanuts are not available for the period 1909-14. But it is known that peanut production increased materially from that period to 1919, the first year for which comparable data are available. Production of peanuts picked and threshed averaged 631 million pounds annually in the 5 years 1919-23 and 832 million pounds in the period 1929-33. Production increased to 1,010 million pounds in 1934 and to 1,750 million pounds in 1940. In 1940, approximately 34 percent of the total crop (largely Virginia type peanuts) was produced in the Virginia-Carolina area, 52 percent of the total (largely Spanish and southeastern Runner type peanuts) was produced in the Southeastern peanut area, and 14 percent of the total (largely Spanish type peanuts) was produced in the Southwestern peanut area.

In 1909-14, peanuts were sold to the public chiefly in the form of whole roasted nuts and as salted nuts. Peanut butter is now the principal food outlet for peanuts, and peanuts are extensively used in peanut candy. Some peanuts were crushed for oil in the period of World War I. But during the years 1919-33, crushings of farmers' stock peanuts represented less than 3 percent of the total output. Beginning with the crop of 1934, peanut production has exceeded the requirements of the edible trade by a considerable margin, and fairly large quantities of farmers' stock peanuts have been diverted to oil mills. Crushings accounted for 16 percent of the total output in the 1934 crop year and 32 percent of the total output in the 1940 crop year. 1/

A two-price system for peanuts was inaugurated with marketings of the 1941 crop, with prices for "marketing quota" peanuts offered support by a diversion program and with prices for nonquota peanuts being determined by their value for oil and meal. No regularly computed parity price is available for nonquota peanuts. It is possible to obtain the equivalent of local market prices of peanuts for oil from records of the Surplus Marketing Administration. These records begin with marketings of the crop of 1934, but do not include marketings for the crop year 1936-37 when there was no diversion program. Prices for that year, however, may be estimated from quotations reported by oil mills to the Agricultural Marketing Service.

On a pound basis, the 1934-38 crop year average prices of peanuts for oil, by types, are as follows: Virginia type, 2.0 cents; southeastern Runners, 2.4 cents; and Spanish, 2.5 cents. The average oil yield for Spanish type peanuts is about 30 percent of the total weight of the peanut including shell. The average oil yield for southeastern Runners is about 28 percent, and for Virginia type peanuts the average oil yield is about 25 percent. The oil contained in peanuts is much higher in price than the cake and meal, used principally as a high-protein feed for livestock; hence peanuts high in oil ordinarily will bring a higher price from oil millers than peanuts low in oil. Thus the price of Virginia type peanuts for oil is considerably lower than the prices for other types, although for edible purposes Virginia type peanuts usually sell at a premium. Virginia type peanuts also are low in price for crushing purposes because of the excessive waste arising from the large proportion of shell.

## Soybeans

Production of soybeans as a commercial oil crop is of such recent origin that there are no 1909-14 basic data that could properly be used in determining parity prices for soybeans according to the original parity-price formula. Before 1934, soybeans were grown on a very limited scale in the United States and were used primarily for seed in producing a forage crop. During the 1920's, prices for soybeans were much higher than they have been in recent years when the bulk of the crop has been sold to oil mills for crushing.

Regular annual estimates of soybean production begin in 1924. During the period 1924-33, production of soybeans averaged less than 10 million

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1/ The crushing figures indicated do not include low-quality shelled peanuts rejected by the edible trade.

bushels annually, and few soybeans were crushed. During the years 1934-38, production was increased to an average of 41 million bushels annually, and more than half of the total output was crushed. Production and crushings have increased further since 1938. In the 1941 season, production totaled 107 million bushels, and possibly 80 percent of the crop will be crushed.

## Determination of Comparable Prices

In keeping with the language of section 4 of Public Law No. 147, Seventy-seventh Congress, base prices from which comparable prices for soybeans and peanuts for oil may be computed currently were determined by dividing the average price for each commodity in the period August 1934-July 1939 by two factors: (a) the average percentage ratio of prices for the five basic agricultural commodities to their parity prices in that period, and (b) the average index number of prices paid by farmers for commodities purchased, including interest and tax payments (1910-14 = 1.00). Average prices for the five basic commodities were equal to 79 percent of the parity prices for those commodities in the period August 1934-July 1939, 2/ while the index number of prices paid, including interest and taxes, averaged 130. These two factors were combined (.79 x 1.30) to give a single divisor of 1.03.

Dividing the average price of the given commodity by 0.79 raises the price, in effect, to a fair parity relationship with the parity prices for the basic commodities in the 1934-39 period. Dividing by 1.30 merely translates the adjusted price back to the pre-war, 1910-14, base period.

The calculation of comparable prices currently from the 1910-14 base price is the same as the calculation of parity prices for most commodities. That is, the 1910-14 base price is multiplied by the current index number of prices paid by farmers for commodities purchased, including interest and tax payments. In mid-January 1942, this index number was 146, or 46 percent higher than in the 1910-14 period.

The 5 years August 1934-July 1939 were selected for determining the base prices for peanuts for oil and soybeans mainly because prices in that period represent as nearly as possible the normal relationships among prices of the commodities involved under conditions of production and consumption recently existing. This period antedates the present world conflict and coincides with the most recent base period selected by Congress for use in making parity price computations (flue-cured and burley tobacco).

The basic data, method of computation, and results for January 1942 are shown in the following table.

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2/ The figure of 79 percent is obtained by weighting the actual prices and the parity prices of the basic commodities (corn, wheat, cotton, rice, and tobacco) in the 1934-39 period by the average production of these commodities in the same period. The weighted aggregate of the actual prices was divided by the weighted aggregate of the parity prices.

Table 2.- Peanuts for oil and soybeans: Average prices received by farmers, August 1934-July 1939 and January 1942, base prices, and comparable prices January 1942

| Commodity | Unit | (1)<br>Average price, Aug. 1934-July 1939 | (2)<br>Base price, (1) ÷ 1.03 1/ | (3)<br>Comparable price, Jan. 15, 1942 (2) x 1.46 2/ | (4)<br>Actual price, Jan. 15, 1942 |
|---|---|---|---|---|---|
| Peanuts for oil | | | | | |
| Weighted average, all types ......... | Ct. per lb. | 2.4 | 2.3 | 3.36 | 4.07 |
| Spanish type ....... | " " " | 3/ 2.5 | 2.4 | 3.50 | (4.37 S.E.<br>(4.08 S.W. |
| Runner type ........ | " " " | 3/ 2.4 | 2.3 | 3.36 | 4.08 |
| Virginia type ...... | " " " | 3/ 2.0 | 4/ 2.0 | 2.92 | 3.45 |
| Soybeans ............. | Dol. per bu. | 0.98 | 0.95 | 1.39 | 1.65 |

Columns (1) and (4), Agricultural Marketing Service and Surplus Marketing Administration. Columns (2) and (3) computed.

1/ The divisor, 1.03, was obtained by multiplying the 1934-39 average ratio of prices received by farmers for the five basic commodities to parity prices for the five basic commodities (weighted aggregates, using production weights) by the average index number of prices paid by farmers, including interest and taxes, in the same period (1910-14 = 1.00). The computation is as follows: 0.79 x 1.30 = 1.03.

2/ The factor, 1.46 is the index number of prices paid by farmers, including interest and taxes, for January 15, 1942 (1910-14 = 1.00).

3/ Simple average of weighted crop-year prices, year beginning August in the Southwest, September in the Southeast, and November in the Virginia-Carolina area.

4/ Average price November 1934-October 1939 divided by 1.02, the adjustment factor for that period.

On a ton basis, the mid-January 1942 comparable prices of peanuts for oil (average, all types) and soybeans were $67.20 and $46.33, respectively. The value of peanuts for oil is considerably greater than the value of soybeans, chiefly because peanuts yield about 28 percent oil by weight (including shell) while soybeans yield about 15 percent oil. The price of oil per pound usually is five or six times higher than the price of high-protein cake and meal per pound, the other principal product of edible oilseeds. Peanut oil, moreover, is of a higher quality for food purposes and sells at a higher price than soybean oil.

Table 3.- Factory and warehouse stocks of specified fats, crude oils, oil-bearing materials (in terms of crude oil) and derived products, United States, December 31, 1938-41

| Item | 1938 | 1939 | 1940 | 1941 1/ |
|---|---|---|---|---|
| | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. |
| Animal fats and oils - | | | | |
| Butter | 128,770 | 55,462 | 41,497 | 114,436 |
| Greases, excluding wool grease | 58,383 | 55,739 | 127,392 | 101,652 |
| Grease, wool | 3,042 | 4,635 | 6,921 | 4,163 |
| Lard, including rendered pork fat | 107,421 | 162,105 | 294,069 | 186,511 |
| Neat's-foot oil | 1,293 | 1,657 | 1,520 | 2,494 |
| Oleo oil | 5,954 | 6,599 | 5,284 | 6,579 |
| Stearine, animal, edible | 4,527 | 4,450 | 4,714 | 6,843 |
| Tallow, edible | 7,506 | 8,051 | 6,804 | 6,905 |
| Tallow, inedible | 194,947 | 240,760 | 303,515 | 253,740 |
| | | | | |
| Cod and cod-liver oil | 31,012 | 33,653 | 13,801 | 7,289 |
| Fish oil | 146,160 | 167,001 | 152,459 | 149,291 |
| Marine mammal oil | 82,273 | 44,496 | 53,202 | 33,336 |
| Total, animal | 771,293 | 784,608 | 991,178 | 873,239 |
| | | | | |
| Vegetable oils, crude basis 2/ | | | | |
| Babassu oil | 1,761 | 6,225 | 7,844 | 12,464 |
| Castor oil | 17,187 | 12,577 | 20,864 | 19,270 |
| Coconut oil | 216,570 | 191,022 | 258,045 | 195,748 |
| Corn oil | 27,978 | 34,549 | 21,154 | 51,549 |
| Cottonseed oil | 783,324 | 777,179 | 671,546 | 507,987 |
| Linseed oil | 141,803 | 142,457 | 153,804 | 198,579 |
| Olive oil, edible | 4,950 | 8,827 | 9,962 | 8,336 |
| Olive-oil foots | 12,420 | 14,484 | 21,625 | 14,299 |
| Olive oil, inedible | 862 | 3,236 | 2,649 | 905 |
| Palm-kernel oil | 6,484 | 1,074 | 2,628 | 2,112 |
| Palm oil | 150,650 | 133,432 | 155,730 | 139,974 |
| Peanut oil | 27,557 | 21,266 | 43,589 | 43,613 |
| Perilla oil | 13,622 | 15,153 | 6,986 | 4,985 |
| Rape oil | 2,959 | 6,528 | 6,545 | 13,421 |
| Sesame oil | 205 | 169 | 1,932 | 584 |
| Soybean oil | 76,709 | 71,562 | 94,555 | 112,967 |
| Tung oil | 61,189 | 31,460 | 57,093 | 32,684 |
| Total, vegetable | 1,546,230 | 1,471,200 | 1,536,552 | 1,359,477 |
| Total, animal and vegetable | 2,317,523 | 2,255,808 | 2,527,730 | 2,232,716 |
| | | | | |
| Raw materials (oil equivalent) | | | | |
| Babassu nuts (63 percent) | 2,839 | 378 | 907 | 3/ |
| Castor beans (45 percent) | 9,395 | 6,902 | 9,607 | 28,369 |
| Copra (63 percent) | 45,840 | 44,206 | 43,816 | 42,574 |
| Cottonseed (15.5 percent) | 424,261 | 361,276 | 395,026 | 400,802 |
| Flaxseed (34 percent) | 45,488 | 92,644 | 134,739 | 239,079 |
| Soybeans (15 percent) | 143,064 | 182,584 | 114,221 | 174,878 |
| Total, raw materials | 670,887 | 687,990 | 698,316 | 885,702 |

- Continued

Table 3.- Factory and warehouse stocks of specified fats, crude oils, oil-bearing materials (in terms of crude oil) and derived products, United States, December 31, 1938-41-Continued

| Item | 1938 | 1939 | 1940 | 1941 1/ |
|---|---|---|---|---|
| | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. |
| Other products | | | | |
| Animal stearine, inedible | 2,532 | 2,852 | 5,141 | 5,605 |
| Compounds and vegetable cooking fats | 55,662 | 56,621 | 53,741 | 53,351 |
| Hydrogenated oils | 24,455 | 27,592 | 27,128 | 31,996 |
| Lard oil | 8,274 | 4,515 | 3,415 | 5,274 |
| Red oil | 7,715 | 6,637 | 7,977 | 9,207 |
| Tallow oil | 1,777 | 1,548 | 1,757 | 2,023 |
| Vegetable stearine | 11,753 | 7,525 | 10,013 | 8,759 |
| Total, other products | 112,168 | 107,120 | 109,172 | 116,215 |
| Grand total | 3,100,578 | 3,050,978 | 3,335,218 | 3,234,633 |

Compiled from reports of the Bureau of the Census except for butter and lard, which are from cold storage reports, Agricultural Marketing Service.

1/ Preliminary.

2/ Crude plus refined converted to crude basis. Refined oils have been converted to crude basis by dividing by the following factors: Babassu oil, corn oil, cottonseed oil, palm-kernel oil, and palm oil, 0.93; coconut oil, peanut oil, and soybean oil, 0.94.

3/ Not separately reported.

Table 4.- Oleomargarine: Production in the United States as reported by the Agricultural Marketing Service and the Bureau of Internal Revenue, 1930-41

| Year | Agricultural Marketing Service | | | | | | | Bureau of Internal Revenue, total uncolored and colored |
|---|---|---|---|---|---|---|---|---|
| | Uncolored | | | Colored | | | Total uncolored and colored | |
| | Vegetable and nut oil | Combined animal and vegetable | Total | Vegetable and nut oil | Combined animal and vegetable | Total | | |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| 1930 | 211,130 | 87,017 | 298,147 | 4,749 | 8,859 | 13,608 | 311,755 | 325,660 |
| 1931 | 162,931 | 52,876 | 215,807 | 2,150 | 3,996 | 6,146 | 221,953 | 229,927 |
| 1932 | 155,674 | 38,604 | 194,278 | 971 | 2,467 | 3,438 | 197,716 | 203,232 |
| 1933 | 199,008 | 40,719 | 239,727 | 703 | 1,801 | 2,504 | 242,231 | 245,472 |
| 1934 | 207,468 | 52,511 | 259,979 | 792 | 2,129 | 2,921 | 262,900 | 264,410 |
| 1935 | 329,764 | 46,087 | 375,851 | 936 | 1,890 | 2,826 | 378,677 | 381,633 |
| 1936 | 340,137 | 48,090 | 388,227 | 1,252 | 1,419 | 2,671 | 390,898 | 393,293 |
| 1937 | 349,477 | 40,320 | 389,797 | 955 | 748 | 1,703 | 391,500 | 397,380 |
| 1938 | 340,300 | 38,267 | 378,567 | 1,026 | 500 | 1,526 | 380,093 | 385,234 |
| 1939 | 265,901 | 34,492 | 300,393 | 1,045 | 392 | 1,437 | 301,830 | 300,857 |
| 1940 | 277,375 | 40,881 | 318,256 | 1,942 | 474 | 2,416 | 320,672 | 320,402 |
| 1941 1/ | 309,771 | 50,661 | 360,432 | 3,725 | 1,052 | 4,777 | 365,209 | 367,513 |

Compiled as follows:

Agricultural Marketing Service, reports of manufacturers.

Bureau of Internal Revenue, annual reports of the Commissioner.

Data for earlier years beginning 1918 are given in "Oleomargarine: Statistics of Production, Materials used in Manufacture, Consumption, Trade, and Prices," Bureau of Agricultural Economics, August 1936, p. 2.

Production reports to the Bureau of Internal Revenue are required by law and are considered to be more accurate than reports to the Agricultural Marketing Service, which are voluntary; the latter are useful because they are broken down into special classifications.

1/ Preliminary.

Table 5.- Oleomargarine: Production, by States, 1936-40

| State | Year beginning July | | | | |
|---|---|---|---|---|---|
| | 1936 | 1937 | 1938 | 1939 | 1940 |
| | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. |
| Total colored and uncolored | | | | | |
| N. J. | 24,219 | 29,857 | 20,587 | 19,374 | 25,966 |
| Ohio | 86,285 | 79,733 | 64,543 | 50,934 | 50,706 |
| Ind. | 36,549 | 42,223 | 40,916 | 33,162 | 37,594 |
| Ill. | 129,531 | 133,924 | 93,699 | 89,870 | 104,349 |
| Mich. | 14,626 | 19,572 | 18,788 | 16,573 | 16,345 |
| Minn. | 1,215 | 1,287 | 761 | 584 | 847 |
| Mo. | 11,145 | 11,229 | 8,300 | 8,587 | 8,362 |
| Kans. | 25,148 | 27,830 | 22,948 | 20,868 | 23,701 |
| Md. | 7,940 | 10,708 | 9,899 | 9,827 | 10,702 |
| N. C. | --- | --- | 30 | 2 | --- |
| S. C. | --- | --- | --- | 480 | 1,888 |
| Ga. | --- | --- | 1,599 | 2,937 | 4,788 |
| Ala. | --- | 150 | 521 | 397 | 293 |
| Tex. | 5,557 | 6,983 | 7,252 | 10,068 | 13,806 |
| Colo. | 1,199 | 398 | --- | --- | --- |
| Oreg. | 1,869 | 2,384 | 1,427 | 1,424 | 401 |
| Calif. | 43,981 | 49,126 | 41,702 | 38,631 | 44,186 |
| U. S. 1/ | 389,264 | 415,404 | 332,973 | 303,717 | 343,935 |
| Colored | | | | | |
| N. J. | 463 | 217 | 193 | 213 | 568 |
| Ohio | 75 | 4 | 29 | 412 | 1,125 |
| Ind. | 55 | 57 | 23 | 3 | 2/ |
| Ill. | 475 | 564 | 493 | 417 | 1,143 |
| Mo. | 338 | 247 | 102 | 129 | 140 |
| Kans. | 270 | 313 | 353 | 236 | 320 |
| Md. | 243 | 209 | 126 | 400 | 1,035 |
| S. C. | --- | --- | --- | 26 | 74 |
| Ga. | --- | --- | 55 | 25 | 48 |
| Tex. | 30 | 29 | 8 | --- | 37 |
| Colo. | 18 | 5 | --- | --- | --- |
| U. S. 1/ | 1,967 | 1,649 | 1,381 | 1,860 | 4,489 |
| | Total colored and uncolored - percentage of United States production in specified States | | | | |
| | Percent | Percent | Percent | Percent | Percent |
| N. J. | 6 | 7 | 6 | 6 | 8 |
| Ohio | 22 | 19 | 19 | 17 | 15 |
| Ind. | 9 | 10 | 12 | 11 | 11 |
| Ill. | 33 | 32 | 28 | 30 | 30 |
| Mich. | 4 | 5 | 6 | 5 | 5 |
| Mo. | 3 | 3 | 2 | 3 | 2 |
| Kans. | 6 | 7 | 7 | 7 | 7 |
| Md. | 2 | 2 | 3 | 3 | 3 |
| Tex. | 1 | 2 | 2 | 3 | 4 |
| Calif. | 11 | 12 | 13 | 13 | 13 |
| Other | 3 | 1 | 2 | 2 | 2 |
| Total | 100 | 100 | 100 | 100 | 100 |

Compiled from annual reports of the Commissioner of Internal Revenue. These data are not available on a calendar year basis. Data for earlier years beginning 1899 are given in Oleomargarine, op. cit., pp. 5-9.

1/ Totals of unrounded numbers.

2/ Less than 500 pounds.

Table 6.- Total and per capita disappearance of butter and margarine, United States, 1912-41

| Year | Total disappearance |  | Per capita disappearance |  |  |
|---|---|---|---|---|---|
|  | Butter | Margarine | Butter | Margarine | Total |
|  | 1,000 lb. | 1,000 lb. | Lb. | Lb. | Lb. |
| 1912 | 1,584,464 | 138,754 | 16.6 | 1.5 | 18.1 |
| 1913 | 1,606,310 | 149,779 | 16.5 | 1.5 | 18.0 |
| 1914 | 1,685,536 | 138,963 | 17.0 | 1.4 | 18.4 |
| 1915 | 1,731,093 | 138,305 | 17.2 | 1.4 | 18.6 |
| 1916 | 1,766,500 | 183,387 | 17.3 | 1.8 | 19.1 |
| 1917 | 1,633,221 | 283,717 | 15.8 | 2.7 | 18.5 |
| 1918 | 1,443,238 | 346,851 | 13.8 | 3.3 | 17.1 |
| 1919 | 1,608,021 | 353,858 | 15.3 | 3.4 | 18.7 |
| 1920 | 1,577,422 | 363,736 | 14.8 | 3.4 | 18.2 |
| 1921 | 1,757,470 | 214,628 | 16.2 | 2.0 | 18.2 |
| 1922 | 1,884,131 | 183,512 | 17.1 | 1.7 | 18.8 |
| 1923 | 1,995,276 | 226,287 | 17.8 | 2.0 | 19.8 |
| 1924 | 2,053,103 | 230,480 | 18.0 | 2.0 | 20.0 |
| 1925 | 2,085,694 | 232,102 | 18.0 | 2.0 | 20.0 |
| 1926 | 2,173,710 | 240,441 | 18.5 | 2.0 | 20.5 |
| 1927 | 2,160,054 | 275,728 | 18.1 | 2.3 | 20.4 |
| 1928 | 2,113,128 | 314,039 | 17.5 | 2.6 | 20.1 |
| 1929 | 2,117,193 | 352,929 | 17.4 | 2.9 | 20.3 |
| 1930 | 2,134,995 | 323,262 | 17.3 | 2.6 | 19.9 |
| 1931 | 2,243,916 | 229,995 | 18.1 | 1.9 | 20.0 |
| 1932 | 2,274,845 | 201,688 | 18.2 | 1.6 | 19.8 |
| 1933 | 2,247,752 | 242,878 | 17.9 | 1.9 | 19.8 |
| 1934 | 2,312,040 | 263,237 | 18.3 | 2.1 | 20.4 |
| 1935 | 2,207,140 | 379,920 | 17.3 | 3.0 | 20.3 |
| 1936 | 2,135,021 | 390,995 | 16.7 | 3.1 | 19.8 |
| 1937 | 2,155,591 | 397,301 | 16.7 | 3.1 | 19.8 |
| 1938 | 2,195,775 | 335,166 | 16.9 | 3.0 | 19.9 |
| 1939 | 2,332,963 | 301,215 | 17.8 | 2.3 | 20.1 |
| 1940 | 2,274,677 | 318,633 | 17.2 | 2.4 | 19.6 |
| 1941 1/ | 2,207,000 | 365,320 | 16.6 | 2.7 | 19.3 |

Compiled as follows:

Total apparent disappearance -

Butter, computed from data on production and stocks, Agricultural Marketing Service, and foreign trade, Foreign Commerce and Navigation of the United States. Exports include shipments to United States territories.

Margarine, from annual reports of the Commissioner of Internal Revenue. Figures are for quantity withdrawn for general use, tax paid, plus withdrawn free from tax for use of the United States in prisons and other Federal institutions.

Per capita disappearance based on total disappearance and July 1 population estimates.

1/ Preliminary.

Table 7.- Oleomargarine: Materials used in manufacture, United States, 1934-41

| Item | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|---|---|---|---|
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Oleo oil | 21,872 | 18,227 | 18,330 | 12,278 | 13,411 | 11,866 | 14,332 | 18,415 |
| Oleostearine | 3,473 | 2,612 | 3,550 | 3,375 | 3,282 | 3,067 | 3,386 | 3,058 |
| Lard, neutral | 7,486 | 3,005 | 2,199 | 1,748 | 1,454 | 1,355 | 5,100 | 8,300 |
| Oleo stock | 1,454 | 2,390 | 1,930 | 1,318 | 1,532 | 1,042 | 1,260 | 1,919 |
| Butter | 11 | 1 | --- | --- | --- | --- | --- | --- |
| Other animal fats 1/ | --- | --- | --- | --- | --- | 69 | 88 | 131 |
| Monostearine | --- | --- | --- | --- | --- | --- | 76 | 165 |
| Total, animal | 34,301 | 26,235 | 26,009 | 18,719 | 19,689 | 17,399 | 24,242 | 31,988 |
| Cottonseed oil | 54,778 | 99,504 | 108,106 | 173,617 | 142,858 | 98,656 | 115,946 | 149,930 |
| Soybean oil | 24 | 1,740 | 14,261 | 31,791 | 39,855 | 70,822 | 87,103 | 75,634 |
| Peanut oil | 2,744 | 4,369 | 4,140 | 2,880 | 3,593 | 2,445 | 1,730 | 2,210 |
| Corn oil | 4 | 32 | 1,238 | 1,796 | 566 | 489 | 421 | 627 |
| Other vegetable oils 2/ | 1 | 40 | --- | --- | 27 | 12 | 11 | 12 |
| Vegetable gum | --- | --- | --- | --- | --- | --- | 2 | 3/ |
| Total, domestic vegetable | 57,551 | 105,685 | 127,745 | 210,084 | 186,929 | 172,424 | 205,213 | 228,413 |
| Coconut oil | 123,678 | 174,315 | 150,465 | 73,806 | 89,520 | 38,519 | 21,780 | 29,786 |
| Babassu oil | --- | 1,838 | 16,114 | 14,607 | 11,547 | 13,942 | 6,150 | 946 |
| Palm-kernel oil | --- | 425 | 2,401 | 7,946 | 4,746 | 473 | --- | 957 |
| Palm oil | 66 | 3 | 1,400 | 1,063 | --- | 1 | 4 | 4,991 |
| Sesame oil | --- | 77 | 58 | 1 | --- | --- | --- | --- |
| Other 4/ | --- | 100 | 456 | --- | 69 | --- | --- | 104 |
| Total, foreign vegetable | 123,744 | 176,758 | 170,894 | 97,423 | 105.882 | 52,935 | 27.934 | 36.784 |
| Total fats and oils | 215,596 | 308,678 | 324,648 | 326.226 | 312.500 | 242,758 | 257.389 | 297.185 |
| Milk | 61,903 | 83,307 | 76,386 | 72,846 | 73,169 | 58,655 | 60,961 | 67,323 |
| Salt | 15,725 | 21,076 | 20,044 | 17,631 | 16,916 | 12,889 | 12,728 | 12,628 |
| Derivative of glycerine | 634 | 1,222 | 1,148 | 1,235 | 1,059 | 749 | 823 | 841 |
| Lecithin | 5 | 22 | 22 | 41 | 92 | 80 | 98 | 261 |
| Soda (benzoate of) | 96 | 197 | 170 | 165 | 149 | 122 | 122 | 161 |
| Vitamin concentrate | --- | --- | --- | 3/ | 17 | 14 | 13 | 45 |
| Miscellaneous | 159 | 3 | 2 | 1 | 2 | 1 | 4 | 7 |
| Total, other materials | 78,522 | 105,827 | 97,772 | 91,919 | 91,404 | 72.510 | 74,747 | 81,266 |
| Total, all materials | 294,118 | 414,505 | 422,420 | 418,145 | 403,904 | 315,268 | 332,136 | 378,451 |

Compiled from Internal Revenue records and Internal Revenue Bulletin. Data for earlier years beginning 1913 are given in Oleomargarine, op. cit., pp. 14-17.

1/ Includes beef fat and oleostearine oil.

2/ Includes cottonseed stearine, soybean stearine, vegetable stearine, and miscellaneous vegetable oil.

3/ Less than 500 pounds.

4/ Includes ouricure oil, palm flakes, palm stearine, rape oil, rice oil, and sunflower oil.

Table 8.- Oleomargarine: Percentage contributed by principal items to the weight of fats and oils used in manufacture, United States, 1934-41

| Item | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|---|---|---|---|
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Oleo oil ........ | 10.1 | 5.9 | 5.6 | 3.8 | 4.3 | 4.9 | 5.6 | 6.2 |
| Oleostearine .... | 1.6 | .9 | 1.1 | 1.0 | 1.1 | 1.3 | 1.3 | 1.0 |
| Lard neutral .... | 3.5 | 1.0 | .7 | .5 | .5 | .6 | 2.0 | 2.8 |
| Oleo stock ...... | .7 | .8 | .6 | .4 | .5 | .4 | .5 | .7 |
| Total, animal.. | 15.9 | 8.6 | 8.0 | 5.7 | 6.4 | 7.2 | 9.4 | 10.8 |
| Cottonseed oil .. | 25.4 | 32.2 | 33.3 | 53.2 | 45.7 | 40.6 | 45.0 | 50.5 |
| Soybean oil ..... | 1/ | .6 | 4.4 | 9.8 | 12.8 | 29.2 | 33.8 | 25.5 |
| Peanut oil ...... | 1.3 | 1.4 | 1.3 | .9 | 1.1 | 1.0 | .7 | .7 |
| Corn oil ........ | 1/ | 1/ | .4 | .6 | .2 | .2 | .2 | .2 |
| Total, domestic vegetable ... | 26.7 | 34.2 | 39.4 | 64.5 | 59.3 | 71.0 | 79.7 | 76.9 |
| Coconut oil ..... | 57.4 | 56.5 | 46.4 | 22.6 | 28.6 | 15.9 | 8.5 | 10.0 |
| Babassu oil ..... | --- | .6 | 5.0 | 4.5 | 3.7 | 5.7 | 2.4 | .3 |
| Palm-kernel oil . | --- | .1 | .7 | 2.4 | 1.5 | .2 | --- | .3 |
| Palm oil ........ | 1/ | 1/ | .4 | .3 | --- | 1/ | 1/ | 1.7 |
| Total, foreign vegetable ... | 57.4 | 57.2 | 52.6 | 29.8 | 33.8 | 21.8 | 10.9 | 12.3 |
| Total fats and oils ........ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Based on figures in table 7. Totals include 0.1 percent or less of butter, beef fat, oleostearine oil, monostearine, cottonseed stearine, soybean stearine, vegetable stearine, miscellaneous vegetable oils, vegetable gum, sesame oil, curicuri oil, palm flakes, palm stearine, rape oil, rice oil, and sunflour oil in certain years. Data for earlier years beginning 1913 are given in Oleomargarine, op.cit., p. 13.

1/ Less than 0.05 percent.

Table 9.- Wholesale prices of fats and oils: Index numbers, January 1940 and 1941, November-January 1941-42

(1924-29 = 100)

| Group | Jan. |  | 1941-42 |  |  |
|---|---|---|---|---|---|
|  | 1940 | 1941 | Nov. | Dec. | Jan. |
| Eight domestic fats and oils 1/ ....... | 91 | 87 | 119 | 118 | 122 |
| Eight domestic fats and oils .......... | 65 | 62 | 84 | 84 | 87 |
| All fats and oils (27 items) .......... | 69 | 67 | 93 | 93 | 96 |
| Grouped by origin: |  |  |  |  |  |
| Animal fats .......................... | 65 | 63 | 82 | 80 | 82 |
| Marine animal oils ................... | 91 | 89 | 118 | 118 | 121 |
| Vegetable oils, domestic ............. | 71 | 66 | 111 | 117 | 123 |
| Vegetable oils, foreign .............. | 93 | 95 | 143 | 149 | 154 |
| Grouped by use |  |  |  |  |  |
| Butter ............................... | 70 | 69 | 81 | 79 | 80 |
| Butter, adjusted 2/ .................. | 69 | 68 | 75 | 71 | 79 |
| Lard ................................. | 46 | 40 | 75 | 76 | 82 |
| Food fats, other ..................... | 69 | 71 | 130 | 136 | 140 |
| Soap fats ............................ | 70 | 66 | 117 | 121 | 126 |
| Drying oils .......................... | 103 | 95 | 107 | 112 | 118 |
| Miscellaneous oils ................... | 102 | 84 | 105 | 106 | 107 |

Data for earlier years beginning 1910 are given in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ 1910-14 = 100. 2/ Adjusted for typical seasonal variation.

Table 10.- Prices of specified oil-bearing materials, January 1940 and 1941, November-January 1941-42

| Item | Unit | Jan. |  | 1941-42 |  |  |
|---|---|---|---|---|---|---|
|  |  | 1940 | 1941 | Nov. | Dec. | Jan. |
|  |  | Dollars | Dollars | Dollars | Dollars | Dollars |
| Castor beans, Brazilian, shipment, c. & f., New York ...................... | Long ton | --- | 51.00 | 80.12 | 77.25 | 78.70 |
| Copra, bags, f.o.b. Pacific Coast .............. | 100 lb. | 1.95 | 1.71 | 4.02 | 5.12 | 5.50 |
| Cottonseed, U.S. farm price . | Short ton | 26.00 | 24.46 | 45.28 | 44.65 | 43.24 |
| Flaxseed, No. 1, Minneapolis ............ .. | Bu. | 2.18 | 1.78 | 1.84 | 2.00 | 2.23 |
| Flaxseed, U. S. farm price .. | " | 1.94 | 1.54 | 1.60 | 1.78 | 1.95 |
| Peanuts, shelled, Runners No. 1, S. E. mills . | 100 lb. | 5.40 | 5.12 | 7.80 | 8.30 | 8.67 |
| Peanuts, U. S. farm price ... | " " | 3.56 | 3.28 | 4.61 | 4.79 | 5.11 |
| Soybeans, No. 2 Yellow, Chicago .................. | Bu. | 1.16 | 1.01 | 1.60 | 1.67 | 1.83 |
| Soybeans, U. S. farm price .. | " | 1.01 | .89 | 1.43 | 1.47 | 1.65 |

Compiled from Oil, Paint and Drug Reporter, Daily Trade Bulletin (Chicago), Daily Market Record (Minneapolis), and reports of the Agricultural Marketing Service.

Table 11.- Price per ton of specified oilseed meals, January 1940 and 1941, November-January 1941-42

| Item 1/ | Jan. | | 1941-42 | | |
|---|---|---|---|---|---|
| | 1940 | 1941 | Nov. | Dec. | Jan. |
| | Dollars | Dollars | Dollars | Dollars | Dollars |
| Copra meal, Los Angeles | 26.75 | 22.40 | 36.45 | 42.50 | 48.30 |
| Cottonseed meal, 41 percent protein, Memphis | 30.10 | 27.85 | 36.75 | 38.35 | 39.90 |
| Cottonseed meal, 41 percent protein, Chicago | 36.35 | 34.50 | 42.60 | 44.45 | 46.10 |
| Linseed meal, 37 percent protein, Minneapolis | 34.70 | 23.50 | 35.90 | 38.50 | 39.50 |
| Linseed meal, 34 percent protein, New York | 38.00 | 25.40 | 31.25 | 33.20 | 34.75 |
| Peanut meal, 45 percent protein f.o.b. southeastern mills | 33.62 | 21.94 | 36.97 | 40.65 | 44.12 |
| Soybean meal, 41 percent protein, Chicago | 33.90 | 29.75 | 39.10 | 42.50 | 46.45 |

Compiled from records of the Agricultural Marketing Service.

1/ Bagged, carlots, except peanut meal.

Table 12.- Production and stocks of butter, lard, rendered pork fat, cottonseed oil, and peanut oil, December 1939 and 1940, October-December 1941

| Item | Dec. | | 1941 | | |
|---|---|---|---|---|---|
| | 1939 | 1940 | Oct. | Nov. | Dec. 1/ |
| | Mil.lb. | Mil.lb. | Mil.lb. | Mil.lb. | Mil.lb. |
| Production | | | | | |
| Creamery butter | 118.3 | 125.6 | 136.4 | 115.2 | 117.9 |
| Lard, Federal inspection | 172.1 | 162.9 | 114.1 | 127.7 | 171.4 |
| Rendered pork fat 2/ | --- | 19.0 | 13.3 | 13.9 | 19.0 |
| Cottonseed oil, crude | 159.2 | 173.8 | 208.5 | 178.3 | 154.4 |
| Peanut oil, crude | 2.9 | 18.9 | 13.3 | 11.5 | 8.6 |
| Stocks end of month | | | | | |
| Butter | 55.5 | 41.5 | 186.6 | 152.5 | 114.4 |
| Lard | 162.1 | 287.0 | 173.2 | 171.0 | 181.2 |
| Rendered pork fat 2/ | --- | 7.1 | 4.3 | 5.4 | 5.3 |
| Cottonseed oil, crude basis 3/ | 777.2 | 671.5 | 352.1 | 453.3 | 508.0 |
| Peanut oil, crude basis 3/ | 21.3 | 45.6 | --- | --- | 43.6 |

Compiled as follows:

Production of creamery butter and peanut oil, and cold storage holdings of butter, lard and rendered pork fat, Agricultural Marketing Service.

Production under Federal inspection of lard and rendered pork fat, Bureau of Animal Industry.

Factory production and stocks of cottonseed oil, and stocks of peanut oil, Bureau of the Census.

1/ Preliminary. 2/ Included with lard prior to November 1940. 3/ Crude plus refined converted to crude basis by dividing by the following factors: Cottonseed oil, 0.93; peanut oil, 0.94.

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Table 13.- Oleomargarine: Production and materials used in manufacture, United States, December 1939 and 1940, October-December 1941

| Item | December |  | 1941 1/ |  |  |
|---|---|---|---|---|---|
|  | 1939 | 1940 | October | November | December |
|  | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. | 1,000 lb. |
| **Production:** |  |  |  |  |  |
| Colored | 150 | 240 | 206 | 232 | 412 |
| Uncolored | 25,436 | 32,221 | 33,853 | 32,270 | 34,226 |
| Total 2/ | 25,585 | 32,461 | 34,060 | 32,503 | 34,638 |
| **Materials used:** |  |  |  |  |  |
| Oleo oil | 876 | 1,477 | 1,766 | 1,684 | 2,127 |
| Oleostearine | 236 | 301 | 278 | 179 | 235 |
| Lard neutral | 206 | 776 | 682 | 695 | 992 |
| Oleo stock | 79 | 156 | 153 | 241 | 355 |
| Monostearine | --- | 19 | 16 | 16 | 18 |
| Total, animal | 1,397 | 2,729 | 2,895 | 2,815 | 3,727 |
|  |  |  |  |  |  |
| Cottonseed oil | 8,779 | 13,107 | 13,708 | 14,650 | 14,129 |
| Soybean oil | 7,575 | 8,549 | 4,694 | 3,761 | 5,242 |
| Peanut oil | 194 | 182 | 238 | 169 | 205 |
| Corn oil | 54 | 34 | 82 | 106 | 70 |
| Cottonseed stearine | --- | 1 | --- | --- | --- |
| Total, domestic vegetable | 16,602 | 21,873 | 18,722 | 18,686 | 19,646 |
|  |  |  |  |  |  |
| Coconut oil | 1,972 | 1,527 | 4,680 | 4,198 | 4,153 |
| Babassu oil | 659 | 14 | 275 | 42 | --- |
| Palm oil | --- | --- | 1,125 | 632 | 528 |
| Palm flakes | --- | --- | 16 | 32 | 28 |
| Palm-kernel oil | --- | --- | 36 | --- | 137 |
| Total, foreign vegetable | 2,631 | 1,541 | 6,132 | 4,904 | 4,846 |
| Total fats and oils | 20,630 | 26,143 | 27,749 | 26,405 | 28,219 |
|  |  |  |  |  |  |
| Milk | 4,988 | 6,034 | 6,049 | 5,765 | 6,230 |
| Salt | 1,059 | 1,241 | 1,155 | 1,084 | 1,186 |
| Derivative of glycerine | 61 | 74 | 70 | 70 | 76 |
| Lecithin | 7 | 13 | 21 | 21 | 22 |
| Soda (benzoate of) | 9 | 12 | 15 | 15 | 15 |
| Vitamin concentrate | 1 | 1 | 7 | 9 | 8 |
| Miscellaneous | --- | --- | 1 | 2 | 2 |
| Total, other materials | 6,125 | 7,375 | 7,318 | 6,966 | 7,539 |
| Total, all materials | 26,755 | 33,518 | 35,067 | 33,371 | 35,758 |

Compiled from Internal Revenue Records and Internal Revenue Bulletin.

1/ Preliminary.

2/ Total of unrounded numbers.